



The World Trade Organization's Threat to the Environment

Established:	January 1, 1995
Origins:	Uruguay Round negotiations (1986-94) converted the General Agreement on Tariffs and Trade (GATT) into the WTO
Mission:	Promotes a free-market international trade system through a set of binding rules.
Membership:	134 countries
Secretariat staff:	500
General Director:	Mike Moore
Functions:	Administration of WTO trade agreements; forum for international trade negotiations; and proceedings and panels for resolving trade disputes between member nations.

The WTO promotes trade by: (1) reducing tariffs; (2) prohibiting import and export bans and quotas; (3) eliminating discrimination against foreign products and services through its most-favored nation and national treatment principles, which prohibit treating "like products" differently based on how they are produced; and (4) eliminating other impediments to trade, commonly called "non-tariff trade barriers."

The trade rules define virtually all obstacles to trade as unfair trade barriers, even if the measures are designed to protect the environment. The WTO authorizes one country to challenge another country's laws before panels of trade experts operating in secret. If a law is found to be an unfair trade barrier, the WTO can authorize imposition of trade sanctions to force a change in the law.

While the WTO has exceptions for conserving natural resources and for protecting human health, the regulating country bears the burden of proving that the exception applies. These exceptions have so many conditions and prerequisites that it is extremely difficult for any domestic protection to pass muster.

The WTO's Anti-Environmental Track Record

Every environmental and public health measure challenged at the WTO has been found to violate the WTO agreements and not to satisfy the terms of the exceptions:

- ✱ A WTO dispute panel found regulations governing compliance with the U.S. Clean Air Act's reformulated gasoline requirements to be in violation of the WTO Agreements. After an appellate panel upheld this ruling, the Environmental Protection Agency changed its regulations to allow Venezuelan gasoline with higher concentrations of certain pollutants into the United States.
- ✱ A WTO dispute panel found a European Union ("EU") ban on hormone-treated beef to violate the WTO Agreements because the EU had not definitively demonstrated that the beef would cause harm to consumers. While the EU argued that it had the right to protect its citizens against uncertain risks from the hormones, the panel concluded that the WTO rules require proof of such harm before trade can be restricted.
- ✱ A WTO panel found WTO violations in a provision of the U.S. Endangered Species Act prohibiting imports of shrimp from countries that do not require turtle excluder devices in shrimp fishing. All the countries involved acknowledged the sea turtles are endangered, that it is a legitimate goal to protect the turtles, and that turtle excluder devices are effective and inexpensive. Nonetheless, the United States could not prohibit imports of shrimp from countries that did not require turtle excluder devices unless the other countries agreed to such a requirement. Moreover, the United States had to allow each country an opportunity to prove that its fishing practices did not cause excessive harm to sea turtles.

The WTO Reaches State and Local laws

While the federal government negotiates trade agreements and represents the United States in dispute settlement proceedings, the reach of the agreements is not limited to federal law. Once the United States enters into a trade agreement, it has bound the 50 states and local governments and subjected their laws to trade challenges.

Secrecy and Lack of Public Participation in WTO Disputes

Trade challenges are decided in secret by dispute settlement panels comprised of three individuals. The WTO has a list of eligible panelists who must have experience in trade matters and who generally are former trade officials. Few have any training or experience in health or environmental disciplines. Only WTO countries have a right to submit briefs and attend the panel proceedings. The public is entirely shut out of the process.

The WTO's Potent Remedy: Authorized Trade Sanctions

If a dispute panel finds a law to be in violation of the WTO rules, it recommends that the law be changed. Generally, countries abide by this recommendation. However, if they do not, the WTO can, and generally does, authorize imposition of trade sanctions against the offending country. This has proven to be a potent device for forcing a change in the underlying law. The United States recently imposed such trade sanctions against the European Union in excess of \$120 million because the EU has not repealed its ban on imports of hormone-treated beef. Often the mere threat of a challenge succeeds in derailing passage of an environmental law or weakening its domestic implementation.

The Seattle Ministerial Meeting

A WTO Ministerial meeting will be held in Seattle, WA from November 30 through December 3, 1999, to decide whether to initiate a new round of negotiations to expand WTO rules.

Review and Repair

No wonder there is growing concern among citizens around the globe, and an ever-increasing cry to **REVIEW and REPAIR** the WTO before extending its reach. Because of great dissatisfaction with the WTO's rules and operations, environmental organizations are advocating for an assessment round, as opposed to a negotiating round, to review and address the successes and failures of the WTO to date.

What you can do to help:

This is a rare opportunity to profile the trade concerns of the environmental community. There will be a broad spectrum of educational events, hosting opportunities, protests and much more. To find out how you can become involved in this important and exciting event contact:

- ◆ **Earthjustice Legal Defense Fund** – 206.343.7340, email: BethatEJ@aol.org
- ◆ **Asia Pacific Environmental Exchange** – 206.324.5675, email: denburg@u.washington.edu
- ◆ **People for Fair Trade** – 206.770.9044 or 1.877.786.7980, web: www.tradewatch.org

Look for more information about the week of the Ministerial, including a calendar of events and hosting possibilities, at www.seattlewto.org.

You can also find out more information about the WTO at the following web sites:

Public Citizen's Global Trade Watch – www.citizen.org/pctrade/tradeshome.html
International Forum on Globalization – www.ifg.org
Institute for Agriculture and Trade Policy – www.iatp.org